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# PotCoin and its sponsorship of Dennis Rodman, explained

The story behind Rodman and PotCoin is as strange as you'd think.

By Emily Stewart | [emily.stewart@vox.com](mailto:emily.stewart@vox.com) | Jun 12, 2018, 4:40pm EDT



Former NBA star Dennis Rodman arrives at Changi international airport ahead of US-North Korea summit between Donald Trump and Kim Jong Un in Singapore on June 11, 2018. | Adek Berry/AFP/Getty Images

It was one of the strangest moments of the summit between President **Donald Trump** and North Korean leader **Kim Jong Un**: Former NBA star **Dennis Rodman** showed up beforehand wearing a “Peace Starts in Singapore” T-shirt promoting **PotCoin.com**.

There's much about this we can't explain. But we can at least tell you what PotCoin is: Think of it as **bitcoin's** marijuana-themed Canadian cousin. The company claims to be

solving a real problem for legal marijuana dealers — the need to do business in cash because of federal banking regulations — by creating a digital cryptocurrency.

But according to experts, PotCoin mostly good at getting attention through stunts like this.

Because marijuana in the United States is classified as a **Schedule 1** drug — on the same level as heroin and LSD and a grade above cocaine — most of the money that touches the marijuana business can't be put into the banking system because it is federally regulated. PotCoin's creators claim they've built a workaround that helps those in the legal industry avoid dealing in all cash: digital currency.

PotCoin's debut in 2014 made quite a splash, with write-ups appearing in publications such as **TechCrunch**, **Vice**, and **Business Insider**, but then it sort of **fizzled out**. That is, until the company teamed up with Rodman, claiming to have sponsored **foreign trips** for the basketball player, including his latest travel to Singapore.

PotCoin spokesperson Shawn Perez told **the Washington Post** that the PotCoin team has been “incredibly supportive of Rodman's peace mission from the beginning” and is “thrilled to see how the political climate has been improved between North Koreans and the US since he became involved.”

People who work with cryptocurrency or marijuana, though, aren't exactly convinced on PotCoin.

“If PotCoin was as disruptive a banking solution as they market it, I would know at least one dispensary owner that used it,” Jason Spatafora, who runs **MarijuanaStocks.com** and tweets under the name **@WolfOfWeedST**, told me. “Truth is, there are much easier ways to process payments in the cannabis industry, and cash will always be king.”

Jeremy Gardner, a cryptocurrency entrepreneur and managing partner at the investment firm Ausum Ventures, acknowledged that PotCoin is trying to solve a “very real problem” for the cannabis industry of storing cash since there are limited banking options.

“Does it do a good job of solving that problem? No,” he told me. “Have they pulled off one of the most remarkable marketing coups of the 21st century? Absolutely.”

### **PotCoin is like bitcoin, but for cannabis**

PotCoin **launched** on January 21, 2014, at 4:20 pm ET (because of course), billing itself as a tool that allows “cannabis enthusiasts to interact, transact, communicate, and grow

together.” It targeted the legal and medical marijuana industry, claiming to be a solution for growers, merchants, and others to store and move money since they couldn’t put it into banks.

“In theory, it provides an excellent way to help businesses keep their money in a safer form than keeping cash in a back room,” Erik Altieri, communications director for the pro-marijuana legalization group NORML, told **Vice News** at the time. “Cash in hand creates a really dangerous situation.”

PotCoin inspired a **YouTube channel** called “Mad PotCoins,” styled after “**Mad Bitcoins**,” a popular bitcoin-themed show. The videos, the last of which was published two years ago, feature a man wearing a fedora emblazoned with a marijuana leaf discussing various marijuana and cryptocurrency-related topics.

In a **December 2014 video**, the man discusses the “PotCoin ambassador” program, laments the falling price of bitcoin, and warns PotCoin users not to hold on to their money there for too long, telling viewers it is a “middleman” from Bitcoin to fiat currency. “Now is not a time to hold positions; it’s the time to get and spend [PotCoins] immediately,” he says, explaining that the price and value of the cryptocurrency are “irrelevant.”

PotCoin also has its own **Reddit** channel.

PotCoin doesn’t appear to be the most lucrative investment — at the moment, it’s worth less than 10 cents, according to its **website**. (For reference, bitcoin is currently valued at about \$6,800, and Ethereum, another cryptocurrency, is priced at about \$500.) But when it first started trading in 2014, it was worth about half of a cent, according to the cryptocurrency tracking website **Coin Market Cap**. In December of last year, it surged to above 40 cents. The same month, it **announced** a partnership with WeedMD, a Canadian federally licensed producer and distributor of medical cannabis, and **sponsored** one of Rodman’s trips to Asia.

Despite its rise in prominence — and, at least in small sums, price — onlookers say it’s not really proving its use case. The marijuana industry is largely cash-based, and some dispensaries are starting to find workarounds and accept credit cards. And if PotCoin’s proposal is to get cash into PotCoin into bitcoin, or vice versa, that path isn’t incredibly clear.

Gardner, the crypto investor who resides in **Crypto Castle**, a hub for the crypto community in San Francisco, said he wishes a cryptocurrency such as PotCoin could be a solution to the banking woes in cannabis, but it's not. "How does someone get their money from cash to PotCoin?" he said. "For any significant sum, you still need a bank transfer and probably have to go through bitcoin. So why not just use bitcoin? It's less volatile. But once again, how do you get large sums of cash into bitcoin?"

Others professionals I contacted in the crypto space about PotCoin either said they hadn't really heard of it or it wasn't really taken seriously.

"It's an old crypto from back in the day that folks made to support weed dispensaries and to pump on 4/20. It's not really anything technically special," Steven McKie, a founding partner at the crypto firm Amentum, told me. "But that's not to belittle the strides they've made in global diplomacy, financed by 4/20 memes."

### **Dennis Rodman is good marketing for PotCoin**

Whatever PotCoin's merits — or lack thereof — as a transaction solution for the cannabis space, you have to admit that its decision to team up with Rodman isn't a bad marketing ploy.

A **video** of the former Chicago Bulls forward crying out of joy over the Trump-Kim summit from Singapore in an interview with CNN swept across the internet on Tuesday.

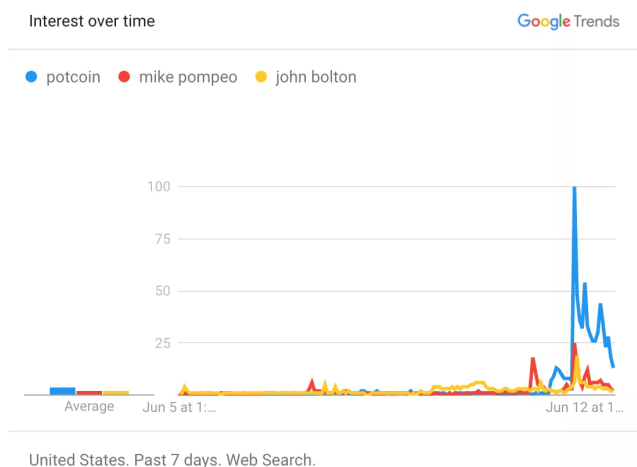
"We have really put ourselves on the line to reach out to North Korea, and they have been so gracious to me, my family and the United States. So let's make this happen. If Trump can pull this off, more power to him," Rodman said in the interview, in which he was wearing a "Make America Great Again" hat and his PotCoin shirt.

Speaking with CNN's **@chriscuomo** while wearing a "Make America Great Again" hat, former NBA star **@dennisrodman** describes his relationship with North Korean leader Kim Jong Un and his hopes for the country <https://t.co/oaMBT2GQ3n> [pic.twitter.com/YjNf7ZI9Ky](https://pic.twitter.com/YjNf7ZI9Ky)

— Cuomo Prime Time (@CuomoPrimeTime) June 12, 2018

Rodman wasn't invited to attend the **summit**, but he flew to Singapore for it anyway — on PotCoin's dime.

PotCoin's price surged by about 25 percent on Tuesday, the day of the summit. There are currently more people on Google searching for PotCoin than for National Security Adviser John Bolton or Secretary of State Mike Pompeo, both of whom are with Trump in Singapore for the North Korea meeting.



This isn't the first time Rodman has given PotCoin a boost. When the company paid for his trip to North Korea in June 2017, its price surged by about **19 percent**.

PotCoin appears to be looking for more Rodmans to get out its message. In April, it launched a "**worldwide ambassador**" program for individuals who want to help with "taking PotCoin mainstream." It has also teamed up with actor Charlie Sheen to put out a **vape pen** called the "Sheenius." It's unclear whether any of this will be as effective as the Rodman deal.